

Hearing Date: August 18, 2010 at 10:00 a.m.

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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re: : Chapter 11 Case No.
LEHMAN BROTHERS HOLDINGS INC., et al., : 08-13555 (JMP)
Debtors. : (Jointly Administered)
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**STATEMENT OF OFFICIAL COMMITTEE OF UNSECURED
CREDITORS IN CONNECTION WITH MOTION OF LEHMAN BROTHERS
HOLDINGS INC. PURSUANT TO SECTION 363 OF THE BANKRUPTCY CODE
AND RULE 6004(h) OF THE FEDERAL RULES OF BANKRUPTCY
PROCEDURE FOR AUTHORITY TO AMEND PARTICIPATION
AGREEMENTS AND TO PURCHASE ADDITIONAL PARTICIPATION
INTERESTS RELATED TO HERITAGE FIELDS PROPERTY**

The Official Committee of Unsecured Creditors (the “Committee”) appointed in the chapter 11 cases of Lehman Brothers Holdings Inc. (“LBHI”) and each of its affiliated debtors in possession (collectively, the “Debtors”), hereby files this statement (the “Statement”) in connection with LBHI’s motion, dated July 28, 2010 [Docket No. 10516] (the “Motion”)¹, to seek authorization to provide interim financing to the Project by purchasing Participation Interests up to an aggregate amount of \$32 million.

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

STATEMENT

1. The Committee has no objection to the relief requested in the Motion. The Committee has been actively evaluating the Heritage Field Project since the start of the Debtors' bankruptcy cases. Over the course of the past several months, the Committee, with the involvement of the Committee's financial advisors, has spent substantial time considering a proposed settlement involving Heritage, State Street, LBREM REIT, PCCP, and other parties in interest that is intended to resolve all disputes regarding the Project, including the sale of the Debtors' interests in the Project. The Committee believes that the additional funding requested in the Motion (in the incremental amount of approximately \$8 million) is necessary to ensure that Heritage will have the capital it needs to continue its operations until the parties can finalize negotiation of the definitive settlement agreement.

2. The Committee is comfortable with the Debtors' making additional funding available to the Project by purchasing Participation Interests. The Committee has previously consented to several similar requests regarding the purchase of Participation Interests. Funding the Project through the purchase of the Additional Participation Interests provides the estates with a security interest in the Project, the value of which is believed to be far in excess of \$32 million. Furthermore, the Additional Participation Interests will be funded on a priority basis so they will be paid off prior to substantially any other interest in the Project. Accordingly, the Committee believes that the estates' interests will be well protected, while the funding provided through the proposed purchase of the Additional Participation Interests will make available to Heritage the capital necessary for it to operate until a settlement, and ultimately a sale, can be consummated.

WHEREFORE, the Committee respectfully submits that (i) it has no objection to the relief requested in the Motion; (ii) the Court should grant the requested relief; and (iii) the Court should grant such other relief as is just.

Dated: New York, New York
August 13, 2010

MILBANK, TWEED, HADLEY & McCLOY LLP

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